



EUROPEAN COMMISSION

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C(2016) 4588 final*

*Mr Pietro GRASSO  
President of the Senato della Repubblica  
Piazza Madama I  
IT – 00186 ROMA*

*Dear President,*

*The Commission would like to thank the Senato della Repubblica for its Opinion on the proposal for a Regulation amending Regulation (EU) 806/2014 in order to establish a European Deposit Insurance Scheme {COM(2015) 586 final} and on the Commission's Communication 'Towards the Completion of the Banking Union' {COM(2015) 587 final}.*

*The proposal for a common European Deposit Insurance Scheme (EDIS) forms part of a broader package of ambitious measures designed to complete the Banking Union. The idea of having a common European scheme, rather than separate national schemes, is not new. It was covered by the impact assessment accompanying the 2009 proposal on Deposit Guarantee Schemes and by a report accompanying it<sup>1</sup>. It was again discussed when the Banking Union was established in 2012. More recently, the idea was included in the Five Presidents' Report, as part of their recommendations to strengthen and complete the Economic and Monetary Union.*

*Deposit insurance is the basis for retail depositors' trust in the banking sector. A stable supply of retail bank deposits allows banks to expand their lending activities and therefore support the real economy and growth. EDIS will provide greater protection for retail depositors, since the scheme will ultimately be larger than any existing national scheme.*

*The Commission welcomes the contribution of the Senato della Repubblica to the debate and its broad support for the EDIS proposal as a natural step towards the completion of the Banking Union.*

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<sup>1</sup> {COM(2010) 368, COM(2010) 369, SEC(2010) 834 /2, SEC/2010/0835 final}.

*The Commission supports the need for a quick build-up of deposit insurance funds in order to reach the minimum 0.8% target level fixed in Directive 2014/49/EU<sup>2</sup> on deposit guarantee schemes. As regards the impact that the different stages of mutualisation (re-insurance, co-insurance, full insurance) will have on national systems, the Commission has engaged on targeted analysis that is being provided to co-legislators in the context of the negotiations in order to allow Member States to reach an informed decision.*

*The Commission is also of the opinion that EDIS should proceed in parallel with a number of measures to reduce the risk in the banking sector. Some of those measures are already fully in place, such as the Single Supervisory Mechanism and the Single Resolution Mechanism, and some others are on their way, such as Commission proposals to implement the international commitments on total loss absorption capacity and to review the Capital Requirements Directive and Regulation<sup>3</sup>.*

*The Commission hopes that the clarifications provided in this reply address the issues raised by the Senato della Repubblica and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Lord Hill  
Member of the Commission*

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<sup>2</sup> Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes, OJ L 173, 12.6.2014.

<sup>3</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OJ L 176, 27.6.2013 and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, OJ L 321, 30.11.2013.